

Message Text

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ORIGIN EB-07

INFO OCT-01 ARA-06 EUR-12 EA-07 ISO-00 SP-02 L-03 H-02

CIAE-00 INR-07 NSAE-00 AID-05 AGR-05 COME-00 OMB-01

TRSE-00 OPIC-03 CIEP-01 PRS-01 STR-04 PCH-02 /069 R

DRAFTED BY EB/OF/FPD-FCMCELDOWNEY:JS

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EA/ANP:HNELSON

ARA/ECP:JO'MAHONY

EUR/NE:NACHILLES (PHONE)

EB/OF/FPD:PDTAYLOR

----- 097271

P R 022357Z MAR 76

FM SECSTATE WASHDC

TO AMEMBASSY MANAGUA PRIORITY

AMEMBASSY MEXICO

AMEMBASSY PANAMA

AMEMBASSY PORT AU PRINCE

AMEMBASSY SAN JOSE

AMEMBASSY SANTO DOMINGO

AMEMBASSY TEGUCIGALPA

AMEMBASSY SAN SALVADOR

INFO AMEMBASSY CANBERRA

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY WELLINGTON

AMEMBASSY OTTAWA

AMCONSUL BELIZE

AMEMBASSY GUATEMALA BY POUCH

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E.O. 11652: N/A

TAGS: EPAP, EAGR, CS, DR, ES, GT, HA, HO, MX, NU, PN, AS,
NZ, EI

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SUBJ: 1976 MEAT IMPORT PROGRAM

REF: STATE 303837 (DEC 29, 1975)

1. ACTION ADDRESSEES REQUESTED INFORM HOST GOVERNMENTS AT AN APPROPRIATE HIGH LEVEL THAT US WISHES TO SIGN VOLUNTARY RESTRAINT AGREEMENTS COVERING MEAT EXPORTS TO THE US DURING 1976 ACCORDING TO THE FOLLOWING GUIDELINES:

A. AGREEMENTS ARE BEING SOUGHT TO RESTRICT TOTAL IMPORTS OF MEAT SUBJECT TO PL 88-482 TO A LEVEL BELOW 1233 MILLION POUNDS, AS DIRECTED BY PRESIDENT FORD. 1233 MILLION POUNDS CORRESPONDS WITH THE LEVEL WHICH WOULD TRIGGER QUOTAS UNDER THE MEAT IMPORT ACT OF 1964. TO AVOID THE POSSIBILITY OF INADVERTENTLY TRIGGERING QUOTAS, WE NEED TO MAINTAIN A 13 MILLION POUND CUSHION BETWEEN THE TRIGGER LEVEL AND THE LEVEL AT WHICH AGREEMENTS ARE NEGOTIATED.

B. ALLOCATIONS FOR SIGNATORIES (EXCEPT IRELAND) ARE PROPORTIONAL TO THEIR INITIAL ALLOCATIONS FOR 1975, WHICH ARE IN TURN BASED ON EXPORT PERFORMANCE DURING EITHER 1973 OR 1974, WHICHEVER WAS HIGHER. THIS DISTRIBUTION REPRESENTS OUR BEST EFFORT AT FINDING A FORMULA ACCEPTABLE TO ALL PROGRAM PARTICIPANTS. COUNTRY ALLOCATIONS USING THIS FORMULA PRESENTED PARA. 2 BELOW.

C. SHORTFALLS ARISING WITHIN THE LATIN AMERICAN/CARIBBEAN REGION WOULD BE REALLOCATED EXCLUSIVELY WITHIN THE REGION UNTIL NO COUNTRY WAS ABLE TO SHIP ADDITIONAL QUANTITIES. ANY REMAINING SHORTFALL WOULD THEN BE AVAILABLE FOR USE BY OTHER PROGRAM PARTICIPANTS, ACCORDING TO THEIR MARKET SHARES.

D. IN THE PAST, WE HAVE USED CENSUS STATISTICS FOR THIS PURPOSE. THE CHANGE WILL PERMIT EARLIER AVAILABILITY OF DATA, AND ELIMINATE PREVIOUSLY ENCOUNTERED PROBLEMS OF RECONCILING CUSTOMS AND CENSUS DATA. MORE IMPORTANT, WE WISH TO ANNOUNCE FROM THE OUTSET THE STATISTICAL BASIS WE ARE USING, TO AVOID MISUNDERSTANDING. CUSTOMS DATA ARE BASED ON US ENTRIES FOR CONSUMPTION OR WITHDRAWAL FROM LIMITED OFFICIAL USE

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WAREHOUSE, I.E. RECEIPT OF FORMAL CUSTOMS ENTRY DOCUMENTS.

2. ALLOCATIONS BY COUNTRY ARE AS FOLLOWS:

COUNTRY - - QUANTITY (IN MILLIONS OF POUNDS)

AUSTRALIA - - - - 624.5

NEW ZEALAND - - - - 256.7

MEXICO - - - - - 59.3
NICARAGUA - - - - - 48.4
GUATEMALA - - - - - 33.9
PANAMA - - - - - 2.5
DOMINICAN REPUBLIC - - - 14.2
HAITI - - - - - 1.8
COSTA RICA - - - - - 53.0
HONDURAS - - - - - 35.3
EL SALVADOR - - - - - 11.3
IRELAND - - - - - 8.0
SUBTOTAL RESTRAINT - - 1148.9
AGREEMENT PARTICIPANTS

CANADA - - - - - 70.0
U.K. - - - - - 1.0
BELIZE - - - - - 0.1

CUSHION - - - - - 13.0
TRIGGER LEVEL - - - 1233.0

POSTS MAY REFER TO ABOVE DISTRIBUTION IN DISCUSSIONS WITH
HOST GOVERNMENTS. YOU SHOULD URGE HOST REFRAIN FROM MAKING
INFORMATION AVAILABLE TO PRESS OR OTHER MEDIA UNTIL
AGREEMENTS HAVE BEEN SIGNED.

3. FOR POSTS' BACKGROUND, ON JANUARY 1, 1976, U.S. AND
CANADA REMOVED MUTUAL QUOTAS ON MEAT IMPORTS, THUS RE-
TURNING TO OPEN BORDER IN MEAT TRADE WHICH EXISTED BEFORE
AUGUST 1974. REMOVAL OF QUOTAS MARKS CANADIAN RESUMPTION
OF ITS FORMER STATUS IN PROGRAM AS NON-VRA SIGNATORY
COUNTRY FOR WHICH MARKET ESTIMATE IS MADE.

4. ALSO FOR POSTS' BACKGROUND, ALLOCATION FOR IRELAND
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REPRESENTS MODEST CONTINGENCY ALLOTMENT IN THE UNLIKELY
EVENT US MARKET CONDITIONS CHANGE SUFFICIENTLY TO ATTRACT
IRISH BEEF TO U.S. WITHOUT SUBSIDIES. IRISH BEEF CURRENTLY
ELIGIBLE FOR 30CENTS PER POUND SUBSIDY FROM EEC, BUT WE
HAVE INFORMED IRISH THAT FUTURE SHIPMENTS OF SUBSIDIZED
MEAT TO THE U.S. WILL BE MET WITH COUNTERVAILING DUTY
ACTION.

5. FYI: THE FOREGOING PROPOSAL INCORPORATES DECISIONS
TAKEN IN ACCORDANCE WITH THE MEAT IMPORT ACT, BY THE
PRESIDENT, THE SECRETARY OF STATE, AND INTERESTED AGENCIES.
THEREFORE, WHILE WE RECOGNIZE THAT EACH FOREIGN GOVERN-
MENT MAY DECIDE FOR ITSELF WHETHER OR NOT TO CONCLUDE AN
AGREEMENT ON THIS BASIS, EMBASSY SHOULD NOT CONVEY ANY
IMPRESSION OF ABILITY OR WILLINGNESS ON OUR PART TO ALTER

THE PROPOSAL TO MEET THE PARTICULAR NEEDS OF ANY PARTICIPANT. END FYI.

6. IN PRESENTING THE PRINCIPAL ELEMENTS OF THE PROPOSAL OUTLINED ABOVE THE EMBASSY SHOULD STRESS THAT AGREEMENTS ON THIS BASIS WILL PERMIT ALL PARTICIPANTS TO EXPORT MEAT TO THE UNITED STATES IN A QUANTITY 10 PERCENT LARGER THAN WOULD BE POSSIBLE UNDER THE MANDATORY QUOTAS THAT WOULD BE REQUIRED IN THE ABSENCE OF VOLUNTARY RESTRAINT AGREEMENTS. ACTION ADDRESSEES SHOULD ALSO INFORM HOST GOVERNMENTS THAT WE WISH TO CONCLUDE NEGOTIATIONS RAPIDLY WITH THE FINAL EXCHANGE OF NOTES TO BE COMPLETED PRIOR TO MARCH 30, SINCE SECRETARY OF AGRICULTURE MUST AT THAT TIME

MAKE ESTIMATE OF IMPORTS SUBJECT TO MEAT IMPORT ACT. WE NEED TO BE ABLE TO REPORT THAT AGREEMENTS WILL PREVENT IMPORTS FROM EXCEEDING QUOTA TRIGGER LEVEL.

7. PLEASE REPORT HOST COUNTRY REACTIONS, IF ANY, BY COB MARCH 5.

8. FOR CANBERRA, DUBLIN AND WELLINGTON: AUSTRALIAN AND NEW ZEALAND EMBASSY REPS HAVE BEEN INFORMED OF SUBSTANCE ABOVE. WE HAVE MEETING SCHEDULED MARCH 4 WITH IRISH EMBASSY REP FOR SAME PURPOSE. INGERSOLL

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NOTE BY OCT: POUCHED GUATEMALA.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEATS, EXPORT CONTROLS, GUIDANCE INSTRUCTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE051112
Document Source: CORE
Document Unique ID: 00
Drafter: FCMCELDOWNEY:JS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760080-0836
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197603102/aaaadmct.tel
Line Count: 201
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 303837
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2004 by BoyleJA>; APPROVED <07 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: 1976 MEAT IMPORT PROGRAM
TAGS: EPAP, EAGR, CS, DR, ES, GT, HA, HO, MX, NU, PN, AS, US
To: MANAGUA MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006